

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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SECURITY INFORMATION

COUNTRY Hungary

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the Metallurgy Industry

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1. The Metallurgical Basic Materials Stockpiling Enterprise (Kohaszati Alapanyag Keszletezoe Vallalat — KOKEV) was administered from Budapest. Its functions consisted of procuring and maintaining a stockpile of basic materials needed by the metallurgy industry.
2. KOKEV maintained a huge stockpile near Miskolc, not far from the Miskolc-Satoraljaujhely railroad line. A constant reserve of 200,000 tons of coke, 200,000 tons of iron ore and 50-100,000 tons of scrap metal was kept at this storage place. The iron ore stockpile consisted of low content Hungarian iron ore, medium content Soviet, Bulgarian and Czechoslovak iron ore, and high content Swedish iron ore. Most of the coke was imported from Poland, Czechoslovakia and the Soviet Union.
3. KOKEV procured iron ore and coke through Metalimpex, the Hungarian Steel Industry Foreign Trade Enterprise (Magyar Acéliipari Kuelkereskedelmi Vallalat), which, like other import-export bureaus, was under the authority of the Ministry of Foreign Trade. In importing from the Soviet Union, Metalimpex dealt with its counterpart in Moscow, Stankoimport.
4. On the basis of the Soviet-Hungarian trade pact, the Soviet Union exported to Hungary 70 to 80% of the medium content iron ore needed by Hungary for the production of pig iron. The rest was supplied domestically and imported from other countries mentioned above. [REDACTED] confidential report in which it was stated that in March 1952 the Soviet Union was 50% behind in its shipments of iron ore and coke to Hungary.

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5. Iron ore, coke, and other materials shipped to Hungary from the Soviet Union arrived at the Hungarian border station of Zahony 4824N02211E where there was a marshaling yard. There the Soviet wide gauge trains stood between two Hungarian standard gauge trains for transfer of the material from Soviet to Hungarian trains. In the immediate vicinity of Zahony there was another large storage area for materials unloaded from Soviet trains and material to be loaded on Soviet trains. Enormous quantities of semi-finished and finished industrial goods, and other materials, sent to the Soviet Union as reparations, were shipped through Zahony.

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